

**Submission
No 35**

**A FRAMEWORK FOR PERFORMANCE REPORTING AND DRIVING
WELLBEING OUTCOMES IN NSW**

Organisation: Australian Psychological Society (APS)

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Public Accounts Committee
Parliament House
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Dear Committee Members

APS Submission to the Inquiry into a Framework for Performance Reporting and Driving Wellbeing Outcomes in NSW

The APS welcomes the invitation to make a submission to the Public Accounts Committee's Inquiry into a Framework for Performance Reporting and Driving Wellbeing Outcomes in NSW. As the peak body for psychology in Australia, we are dedicated to advancing the scientific discipline and ethical practice of psychology in the communities we serve to promote good psychological health and wellbeing for the benefit of all Australians. Psychologists and psychological scientists have unparalleled expertise in wellbeing, including researching, measuring, conceptualising, and communicating about wellbeing, as well as developing and implementing evidence-based wellbeing interventions.

This submission is informed by the *Performance and Wellbeing Consultation Paper* (the *Consultation Paper*) released as part of the NSW Budget 2024–25. We also draw on our previous submissions to the Commonwealth Treasury's consultations on the development of the *Measuring What Matters* (MWM) Framework,^{1,2} and our reflections on the implementation and progress of the MWM framework.

In principle, the APS supports the NSW Government's intention to measure and report on the performance of NSW Government services, and the quality of life and wellbeing for the people of NSW. However, we consider that the proposed Framework, especially as set out in the Consultation Paper, would not be able to realise these objectives. In particular, there are deficiencies in relation to the definition and conceptualisation of wellbeing. As such, the implementation of the proposed Framework without significant revision and consultation would be a missed opportunity to create a wellbeing and measurement framework informed by best available research and practice.

1. Defining 'wellbeing'

The absence of a definition of 'wellbeing' in the Consultation Paper suggests that the Framework will also be developed and implemented without this needed definitional clarity. The lack of a clear and consistent definition of 'wellbeing' risks undermining the effectiveness of policy initiatives aimed at enhancing the quality of life for individuals and communities in NSW. Of course, defining 'wellbeing' is difficult. It is a broad, complex and often contested concept. However, this difficulty underscores the very need to provide a working definition, rather than to avoid doing so.

A definition of wellbeing is essential to ensure that policy and initiatives based on the Framework are grounded in a detailed understanding of what constitutes wellbeing, how it can be measured, and

how policy-based interventions can be effectively designed and targeted. Defining wellbeing also provides a common understanding to the multiple stakeholders using the Framework about the scope and limits of what is understood to be 'wellbeing', so that the concept is not inappropriately applied beyond its conceptual or evidentiary scope.

Rather than propose a definition, the APS recommends that a working definition of 'wellbeing' be developed through an inclusive and participatory co-design process. This process must include a diverse range of community and government stakeholders, including the APS, and should be at least co-led by a psychologist as a wellbeing and measurement subject-matter expert. This co-design process should be guided by agreed principles. To this end, the APS submits that a working definition of wellbeing for the people of NSW should:

- Recognise the complexity of wellbeing, and that all definitions will be incomplete and will need to evolve and be revisited with new evidence and data;
- Be informed by research and theory, particularly from psychological science, and from practice-based evidence including from psychologists;
- Recognise that wellbeing operates at different levels and time scales, and that it is important to differentiate between wellbeing drivers and outcomes at an individual, family, community, organisational and societal level;
- Affirm that wellbeing is contextual, dynamic and intersectional, and that the cultural determinants of wellbeing — and the cultural biases and limitations of measuring wellbeing — need to be recognised and communicated;
- Acknowledge that negative and positive aspects of wellbeing are related but are not mirror-images of each other: the absence of negative wellbeing does not infer the presence of positive wellbeing, and *vice versa*; and
- Emphasise the importance of the subjective experience of wellbeing. A person, or a community's, lived experience of wellbeing or its absence must be heard and given weight. Data from wellbeing indicators must not be used to invalidate the experience of people or communities — particularly those who are marginalised or are in vulnerable situations — and thereby create epistemic injustice and harm in the name of promoting wellbeing.

2. The importance of a theory of wellbeing

In addition to a working definition of wellbeing, the Framework must be grounded in a theory of wellbeing. This should be a provisional theory of wellbeing which is localised to the NSW context and refined over time. It should explain *how* wellbeing is enhanced or impaired, and how the indicators and domains of wellbeing relate to each other and to broader wellbeing outcomes.

A theory of wellbeing is fundamental to the success of any initiative aimed at enhancing population wellbeing in NSW. While discrete indicators — such as employment rates, health statistics, or housing metrics — are valuable for measuring specific aspects of wellbeing, they do not provide a holistic understanding of how these aspects function and interact to influence wellbeing. A theory of wellbeing, informed by psychological science and other evidence, offers an integrated perspective that can guide the development, implementation, and evaluation of policies and services across multiple sectors.

A well-articulated theory of wellbeing allows for a more coherent approach to policy development by establishing a clear framework that links various indicators to broader social policy goals. For example, theories such as Self-Determination Theory or Psychological Capital not only highlight individual-level indicators like autonomy, competence, social connectedness and hope but also explain how these factors contribute to overall wellbeing at a community or societal level.¹ This

theoretical foundation would help policymakers understand the causal pathways that lead to improved wellbeing outcomes, ensuring that interventions are more strategically targeted, that resources are allocated efficiently, and that potential adverse outcomes are minimised.

Moreover, a theory-based framework facilitates cross-sectoral collaboration, ensuring that different areas of government and civil society work towards a unified vision of wellbeing. Without a guiding theory, there is a risk that wellbeing initiatives in areas such as health, education, or social services may become siloed, focusing narrowly on specific indicators without addressing the broader determinants of wellbeing. A shared theoretical foundation helps to align the efforts of various agencies and organisations, fostering a coordinated approach that maximises the positive impact of wellbeing initiatives across the population.

Once again, the development of this theory of wellbeing should be led by wellbeing subject-matter experts, including psychologists. It should then be validated and refined through a collaborative process together with the NSW community. The development of this theory of wellbeing should precede the selection of wellbeing indicators; the theory should not be artificially fitted to indicators already chosen.

3. The process for the selection of indicators

As we recommended in the MWM consultation process, the selection and revision of wellbeing indicators should be led by an independent standing committee of experts and community representatives, guided by the theory of wellbeing and a framework about measurement. It is unwise for indicators to be chosen without showing how they align with a theory of wellbeing and without robust evidence about the quality of data. The selection of wellbeing indicators carries with it political and social authority: being able to define wellbeing is a powerful tool with direct consequences for policy decision-making and expenditure. It is therefore essential that this process be beyond reproach and be managed through a trustworthy, independent, transparent, evidence-based and consultative process.

Notable omissions in the set of proposed indicators in the Consultation Paper show that there are deficiencies in the process to date. Without wishing to be exhaustive, the absence of indicators about mental health, suicide, domestic and family violence, individual prosperity and economic security indicates that a new process may be needed for the identification and selection of wellbeing indicators.

The implementation of the MWM framework provides a cautionary example of foreseeable problems that could have been avoided through a different design and development process.^{1,2} With a similar absence of a working definition or theory of wellbeing, indicators in the MWM framework were selected with limited consultation and with no clear mechanism for how they would be linked to policy decision-making. It therefore remains unclear how the MWM framework can be used as part of the policy and Budget process. The full implementation of the MWM framework has been also delayed due to limitations in data underpinning the indicators and the additional resources needed to facilitate new measures of wellbeing.³ This has meant that the realisation of a 'wellbeing' Budget and wellbeing-informed policy-making has also been deferred. To prevent any loss of social capital, trust and opportunity, the APS strongly recommends that the NSW Government pause the development of the current Framework and invest in the development of a theory-driven, data-informed and sustainable alternative model.

4. Valuing the contribution of psychologists and psychological scientists

In addition to the potential contribution of psychologists and psychological scientists in the design and implementation of the Framework, we recommend that the Government work with the APS and our members to develop innovative ways of engaging with the psychology workforce to support the measurement and evaluation of wellbeing.

There are more than 12,000 psychologists in NSW whose skill and trusted position in the community could be applied to the measurement of wellbeing. Psychologists are trained as scientist-practitioners with significant expertise in wellbeing. Innovative models could be developed with the profession to enable the responsive, targeted and whole-of-person data to be gathered from both patients and the broader community. Psychological scientists in and beyond NSW could also be supported by the Government to design and deliver innovative wellbeing measurement, evaluation and intervention projects across a range of domains. The leadership and expertise of psychologists could also be used to support other professions to do the same, and to design and support the implementation of wellbeing-related citizen science initiatives. Together, we could also develop collaborative and evidence-led initiatives which might themselves be community-building and therapeutic in ways which promote wellbeing.

Thank you again for the opportunity to provide a submission into the Inquiry into a Framework for Performance Reporting and Driving Wellbeing Outcomes in NSW. If any further information is required from the APS, I would be happy to be contacted through our National Office on (03) 8662 3300 or by email at: [REDACTED]

Yours sincerely

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Dr Zena Burgess, FAPS FAICD
Chief Executive Officer

References

1. Australian Psychological Society. (2023). *Response to Treasury Consultation on Measuring What Matters*. <https://psychology.org.au/psychology/advocacy/submissions/professional-practice/2023/aps-submission-to-treasury-measuring-what-matters>
2. Australian Psychological Society. (2023). *Australian Psychological Society Submission to the Measuring What Matters Second Phase Consultation*. <https://psychology.org.au/psychology/advocacy/submissions/professional-practice/2023/response-to-measuring-what-matters-2nd>
3. The Hon Dr Andrew Leigh MP and the Hon Jim Chalmers MP (2024, August 23). *Measuring What Matters bolstered by the ABS* [Media release]. <https://ministers.treasury.gov.au/ministers/andrew-leigh-2022/media-releases/measuring-what-matters-bolstered-abs>